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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1948

No. .....

BORG-WARNER CORPORATION and DAVID E. GAMBLE,
Petitioners,

vs.

GEORGE I. GOODWIN,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

To the Honorable Frederick M. Vinson, Chief Justice of the United States, and The Associate Justices of the Supreme Court of the United States:

Your Petitioners respectfully show:

SUMMARY STATEMENT OF MATTER INVOLVED.

Petitioners seek a review of an order of the United States Court of Appeals for the Sixth Circuit entered October 12, 1948 (R. 525), without opinion. That order affirmed (1)

a judgment (R. 437) of the United States District Court for the Eastern District of Michigan, Southern Division, entered October 31, 1947, and (2) an order (R. 437) of the latter court also entered October 31, 1947, overruling petitioners' motion, petition to stay proceedings on mandate and for other relief (R. 390).

The affirmed judgment, which was entered on a mandate (R. 386) issued in a prior appeal from an earlier judgment (R. 39) of the District Court entered June 20, 1945, vacated the earlier judgment, and among other things, adjudged United States Letters Patent No. 2,324,913 (R. 309) for a Clutch Plate issued to John F. Daukus on July 20, 1943, to be valid and infringed by petitioners. If the order of which review is sought be permitted to stand, the affirmed judgment will terminate the litigation except for the ascertainment and assessment of damages and taxation of costs. That judgment will then operate as a final adjudication of the rights of the parties as to all matters in controversy in the litigation.

The only expression by the Court of Appeals as to what it determined or the reasons for its determination is found in the preamble of its order. This includes an indefinite statement to the effect that the principal contentions of petitioners in their appeal from the affirmed judgment had previously been "*raised and considered by*" the Court of Appeals and by this Court. The order is silent as to what the Court of Appeals considered those contentions to be, as to whether or not those contentions were *determined on the merits* and, if they were, as to what were the reasons for such determination. It will appear from a necessarily detailed statement of the proceedings prior to the entry of the order that that order, if permitted to stand, will—

(1) give effect to the affirmed judgment as a final adjudication that the patent in suit is valid *in its entirety* notwithstanding timely objection by peti-

tioners that the jurisdiction of the Court of Appeals on the first appeal was restricted to a review of a *distinct and separable part* of the earlier judgment of the District Court, that the *appealed part* of the earlier judgment involved the question of validity only as to a limited number of the relatively narrow claims of that patent, and that other and broader claims of the patent, which the Court of Appeals did not consider, were adjudged invalid in an *unappealed part* of that judgment and should have been but were not seasonably disclaimed according to the provisions of U.S.C. Tit. 35, Secs. 65, 71;*

(2) effectuate an excess of jurisdiction by the Court of Appeals depriving petitioners of their right to an adjudication of an issue as to the validity of fourteen claims of the Daukus patent, which issue was properly presented by the pleadings and adjudicated in an unappealed part of the earlier judgment of the District Court; and

(3) operate as a denial to petitioners of their right to an adjudication on the merits of questions which arose during the pendency of the prior appeal and involve invalidity of the patent in its entirety resulting from unreasonable neglect or delay to enter a disclaimer of concededly invalid claims thereof and consequent failure of jurisdiction of the court due to the controversy having become moot because of such invalidity of the patent.

The Court is referred to the "Statement of the Case" in the accompanying brief for the details of the proceedings

* Specifically the patent contains 23 claims; each claim representing a distinct invention and a separate cause of action. All of the claims were adjudged invalid by the District Court. Respondent and his co-defendant appealed as to only 9 claims. The Court of Appeals although having only 9 claims before it and confining its review to those 9 claims, nevertheless held the patent valid, thereby in effect validating *all* of its claims. It did so notwithstanding more than one year had elapsed since the entry of the judgment of the District Court and no disclaimer of the 14 unappealed claims had been entered and no other proceeding had been instituted to establish their validity. The facts on this point are more fully stated under the heading "Statement of the Case" in the accompanying brief.

prior to the entry of the order of which review is sought in this petition.

JURISDICTION.

This Court has jurisdiction to review the aforesaid order (judgment) of the United States Court of Appeals for the Sixth Circuit entered October 12, 1948 (R. 525), under U.S.C., Tit. 28, Sec. 1254(1).

This petition is presented within three months from and after the said order of October 12, 1948, and the order of said Court of Appeals entered November 8, 1948 (R. 533), denying petition for rehearing.

QUESTIONS PRESENTED.

1. Are United States letters patent for an invention rendered invalid for unreasonable neglect or delay to enter a disclaimer of one or more claims thereof, as provided in the disclaimer statutes, in consequence of a judgment of a United States District Court

(1) adjudging *all of the claims* of the patent invalid for want of invention according to the prayer of a complaint filed under the Declaratory Judgment Act by one accused of infringing the patent and

(2) dismissing a counterclaim by the patentee for infringement of that patent, under which counterclaim *a lesser number of the more limited claims* were relied on, where an appeal to an appropriate United States Court of Appeals was thereupon taken by the patentee from *only that part of the judgment* which dismissed the counterclaim,—in which appeal a review was sought *only* as to validity and infringement of the *lesser number of claims relied on* under the counterclaim,—and no disclaimer having been entered, and more than a year having elapsed

following the entry of said judgment, when the Court of Appeals rendered an opinion in that appeal, and the Court of Appeals in that opinion

(a) *confined its review to the lesser number of claims so relied on,* and

(b) determined the claims so relied on to be valid and infringed, but

(c) without passing on the validity of other and broader claims adjudged invalid by the District Court and, despite the limited scope of the appeal and of its review, declared the *whole* patent valid, and

(d) reversed the judgment in its entirety?

2. In an action under the Declaratory Judgment Act by one accused of infringing United States letters patent for an invention, wherein a United States District Court, in accordance with the prayer of the complaint, adjudged *all of the twenty-three claims* of the patent to be invalid for want of invention, and dismissed a counterclaim by the patentee for infringement of the patent, under which only *nine of the more limited claims* were relied on, and an appeal was taken by the patentee to an appropriate United States Court of Appeals from only that part of the judgment which dismissed the counterclaim, and in the appeal a review was sought *only* as to validity and infringement of *the same nine claims*, and the Court of Appeals confined its review to *those nine claims*, did the Court of Appeals, upon determining that *those nine claims* are valid and infringed, and *without passing on the validity of fourteen other claims adjudged invalid in the unappealed part of the judgment*, have jurisdiction to declare *the patent* valid and to reverse the judgment *in its entirety?*

3. Was there a prior adjudication of the matter in issue supporting an order (judgment) of the United States

Court of Appeals affirming, without opinion, on appeal by petitioners therefrom,

(1) a judgment of the United States District Court entered pursuant to mandate of the Court of Appeals in a previous appeal from a part of an earlier judgment of the District Court in the case, and

(2) an order of the District Court overruling petitioners' motion and petition to stay proceedings on mandate and for other relief,

the order of affirmance merely reciting *"that appellants' principal contentions in the present appeal have heretofore been raised and considered by"* the Court of Appeals, and this Court, where it appears—

(a) that those contentions included the contention that *the controversy had become moot,* and the jurisdiction of the Court had failed, because the United States letters patent in suit had become invalid *while the first appeal was pending,* for unreasonable neglect or delay to enter, in conformity with the disclaimer statutes, a disclaimer of claims adjudged invalid in an unappealed part of the earlier judgment,

(b) that those contentions were previously presented to the Court of Appeals *only on motions* of petitioners to reform decree and to vacate decree and dismiss appeal filed after judgment (decree) of that court and before issuance of its mandate in the previous appeal, which motions were based largely on affidavits and were *denied by the Court of Appeals without opinion,*

(c) that those contentions were presented to this Court only in petitions for writ of certiorari to review the judgment of, and the denial of those motions by, the Court of Appeals, which petitions were *denied by this Court without opinion,* and

(d) the transcript of the proceedings in the Court of Appeals *fails to show* what matters were determined by that court in denying those motions, what were the reasons for its rulings, or that those contentions ever were determined by that court on the merits?

REASONS FOR GRANTING THE WRIT.

1. The Court of Appeals, in affirming the judgment and order of the District Court, determined an important question of federal law pertaining to the interpretation of the disclaimer statutes, U.S.C., Tit. 35, Secs. 65, 71 (4917, 4922 R.S.), in conflict with the decisions of this Court in *Ensten* v. *Simon Ascher & Co.*, 282 U.S. 445, 453, and *Triplett* v. *Lowell*, 297 U.S. 638, 646.

2. The Court of Appeals, in affirming the judgment and order of the District Court, determined an important question of federal judicial administration pertaining to the exercise of jurisdiction by a United States Court of Appeals in conflict with decisions of this Court in *Alma Motor Co.* v. *Timken-Detroit Axle Co.*, 329 U.S. 129, 141, and in *Electrical Fittings Corp.* v. *Thomas & B. Co.*, 307 U.S. 241, and *Altvater* v. *Freeman*, 319 U.S. 359, 365.

3. The Court of Appeals, in predicating its affirmance of the judgment and order of the District Court on the ground that petitioners' principal contentions have previously been raised and considered by the said Court of Appeals and by this Court, determined an important question of federal judicial administration pertaining to the application of the principle of *res judicata* in conflict with the decisions of this Court in *Sprague* v. *Ticonic National Bank*, 307 U.S. 161, 168, and *Hughes* v. *United States*, 71 U.S., 4 Wall. 232, 18 L. Ed. 303, 305, and in *House* v. *Mayo*, 324 U.S. 42, 48, and cases cited therein.

Wherefore, petitioners pray that a writ of certiorari issue under the seal of this Court directed to the United States Court of Appeals for the Sixth Circuit sitting at Cincinnati, Ohio, commanding said court to certify and send to this Court on a day to be designated a full and complete transcript of the record and all proceedings of

the said Court of Appeals had in the case numbered and entitled on its docket 10,628, *Borg-Warner Corporation and David E. Gamble, Appellants* v. *George I. Goodwin, Appellee,* to the end that this cause may be reviewed and determined by this Court; that the judgment (order) therein of the said Court of Appeals be reversed by this Court; and that petitioners have such other and further relief as this Court may deem proper.

BENTON BAKER,
MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

OPINION OF THE COURT BELOW.

The Court of Appeals entered its order of October 12, 1948, of which review is sought, and its order of November 8, 1948, denying petition for rehearing, without opinion.

The previously rendered opinion of that court (R. 186) entered with its decree of July 1, 1946, is officially reported in *Goodwin* v. *Borg-Warner Corp.*, 157 F(2) 267.

STATEMENT OF THE CASE.

The action was commenced by petitioners under U.S.C. Tit. 35, sec. 63 (4915 R.S.) against respondent and his co-defendant and assignor, the patentee Daukus (R. 1). The complaint was filed following a decision (R. 12) of the Board of Interference Examiners of the United States Patent Office awarding to Daukus priority of invention of the interference issue in a proceeding involving the application upon which the Daukus patent issued and a co-pending application for patent of petitioner Gamble, assignor to petitioner Borg-Warner Corporation. After defendants had answered, the Daukus patent issued and petitioners were notified that they infringed it (R. 23, 29).

Petitioners thereupon filed a supplemental complaint under the Declaratory Judgment Act, U.S.C. Tit. 28, sec. 400, seeking, among other things, to have the patent declared invalid as to *all claims* thereof and not infringed by petitioners (R. 23). Defendants' answer to this supplemental complaint included a counterclaim charging in-

fringement of the patent (R. 29). Petitioners replied to the counterclaim denying infringement and validity as to all claims of the patent (R. 31).

The case was tried in the District Court on the issues presented by the pleadings and the evidence adduced in behalf of the respective parties, who submitted proposed findings of fact and conclusions of law, with oral arguments. At the trial and in their proposed findings of fact defendants chose to rely for infringement only upon *nine of the more limited claims* of the Daukus patent (R. 35, 453, 309, 325, 308), not including certain claims admitted by defendants' counsel to lack invention (R. 456).

The District Court did not pass on the issue of infringement, but entered judgment in accordance with findings of fact and conclusions of law filed simultaneously therewith (R. 34-39), and—

(1) adjudged *all of the claims* of the Daukus patent invalid for want of invention;

(2) enjoined defendants from further charging Borg-Warner Corporation with infringement of said patent;

(3) dismissed petitioners' original complaint; and

(4) dismissed defendants' counterclaim.

Defendants alone appealed from this earlier judgment of the District Court. After having first appealed from that judgment generally (R. 40), defendants amended their notice of appeal to limit it to "*that part of the final judgment . . . which dismisses defendants' counterclaim*" (R. 42), and in the appeal sought a review *only* as to the issues of validity and infringement of *the same nine* claims previously designated as relied on under that counterclaim (R. 43, 44, 57, 58, 72, 73, 93). Confining its review to *those nine claims*, the Court of Appeals, in a written opinion (R. 186), held *the nine* claims to be valid and infringed,

concluded "that *the patent* is valid",[1] and in a decree entered July 1, 1946 (R. 197), reversed the decree (judgment) of the District Court, generally and without limitation, and remanded the case "for an accounting and for further proceedings in accordance with this opinion" (R. 189, 190, 196).

Petitions for rehearing directed to the questions of validity and infringement were denied by the Court of Appeals (R. 198, 228, 229, 231, 236). A petition for writ of certiorari to review the decree of the Court of Appeals was denied by this Court January 10, 1947 (R. 237).[2] Petitioners then filed a petition for rehearing in this Court. In that petition it was urged in reliance on *Muncie Gear Works* v. *Outboard Co.*, 315 U.S. 759, 768, and notwithstanding the question had not been raised below, that the Daukus patent had become invalid pending the appeal for failure to enter a disclaimer of claims adjudged invalid by the District Court and as to which no appeal was taken (R. 239-244). That petition, too, was denied (R. 245).[3]

Thereupon, before issuance of mandate, petitioners filed in the Court of Appeals motions (1) to vacate its decree and dismiss the appeal (R. 246-262), and (2) to amend, modify and reform the decree (R. 263-272). Those motions set forth the pertinent facts generally as above-stated. They were supported by affidavits in keeping with *County of Dakota* v. *Glidden*, 113 U.S. 222, 225, 226; *United States* v. *Alaska S.S. Co.*, 253 U.S. 113, 116; *United States*

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[1]Thus overlooking the established principle that it is the claims of a patent which afford the measure of the grant to the patentee and each claim must stand or fall as itself sufficiently defining invention. See p. 22, *infra*.

[2]*Borg-Warner Corporation, et al.* v. *Goodwin, et al.*, October Term, 1946, No. 700, 329 U.S. 799.

[3]329 U.S. 835.

v. *Anchor Coal Co.*, 279 U.S. 812, 813; and respectively presented these questions (R. 256, 269):

> (1) Whether or not the jurisdiction of the Court of Appeals had failed, requiring that the decree of that court be vacated and the appeal dismissed, due to the controversy having become moot while the appeal was pending because of unreasonable neglect or delay to enter a disclaimer pursuant to the disclaimer statutes, U.S.C. Tit. 35, Secs. 65, 71, of one or more claims adjudged invalid by the District Court in the unappealed part of its judgment granting petitioners relief under their supplemental complaint.
>
> (2) Whether or not the Court of Appeals exceeded its jurisdiction in reversing the judgment of the District Court without limitation to that part of the judgment which dismissed the counterclaim.

The motion to vacate included a motion "alternatively, and additionally", that the cause be remanded to the District Court for further proceedings including a trial of the issue presented in the matters set forth in the motion.

The motions, which were supported, and opposed, in briefs of the parties, respectively, and argued orally, were denied by the Court of Appeals, *without opinion,* in an order entered April 9, 1947 (R. 327). Thereupon the above mentioned mandate (R. 386) issued to the District Court reversing the judgment of June 20, 1945, and remanding the case for an accounting and further proceedings in accordance with the opinion of the Court of Appeals.

A second petition for writ of certiorari,[4] and a second petition for rehearing of the order denying the first petition for writ of certiorari, were then filed by petitioners and denied by this Court (R. 329-337, 338, 339-372, 386).[5] Subsequently, respondent (Daukus being dropped as a

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[4] *Borg-Warner Corporation, et al.* v. *Goodwin, et al.*, October Term, 1946, No. 1443.

[5] 331 U.S. 860, 869.

party defendant—R. 436) filed in the District Court a motion for judgment pursuant to mandate (R. 388, 389). Thereupon petitioners filed in that court (1) a petition, motion to stay proceedings on the mandate and for other relief (R. 390-400) together with a supporting memorandum (R. 401-433), and (2) separate objections to the motion for judgment (R. 434).

The relief sought by petitioners in their petition, motion included, in addition to a stay of proceedings on the mandate, the reopening of the action insofar as it pertains to the controversy presented by the counterclaim, for further proceedings as to the matters set forth, including hearing and trial and adjudication thereof by the District Court, dismissal of the counterclaim, entry of judgment, and such other and further relief by way of modification or vacation of judgment or otherwise as that court might deem just and equitable.

In support of their petition, motion, petitioners set forth the history of the case generally as hereinbefore stated and as grounds therefor that defendants had unreasonably neglected or delayed to enter a disclaimer[6] as previously stated, whereby the Daukus patent had become invalid in its entirety and the controversy presented by the counterclaim had become moot and the jurisdiction of the Court over said controversy had failed, with supporting authorities. It was particularly pointed out (R. 429, 392, 406) that Claim 13 of the Daukus patent, which the Court of Appeals and respondent's counsel selected as representative of the claims in issue on the first appeal, contained limitations which were not present in the broad claims of that patent, particularly claims 1 and 2, which the Court of Appeals had not considered and which respondent's

[6]More than two years had then elapsed since the entry of the judgment of the District Court on June 20, 1945.

counsel had admitted in the trial proceedings did not include limitations essential to validity (R. 456).

The separate objections included the reasons and grounds set forth in the petition, motion and particularly those pertaining to disclaimer and the further ground that the proposed judgment did not conform to the mandate (R. 434).

After hearing on the motions and objections, in the course of which it was admitted in behalf of respondent that no disclaimer of any of the claims of the Daukus patent had been filed (R. 460), the District Court on October 31, 1947, *without opinion* and without entering any finding of fact or conclusions of law, denied petitioners' petition, motion and entered judgment on the mandate (R. 437), as aforesaid.

Petitioners appealed from the order denying their petition, motion and from the judgment, under U.S.C. Tit. 28, Sec. 227a (R. 439). While the District Court did not enter an order directed specifically to their objections to respondent's motion for judgment pursuant to mandate, the entry of judgment on that motion was treated in the notice of appeal as an order overruling those objections.

The errors of which petitioners complained in their appeal (R. 503) included the overruling of their objections to defendants' motion for judgment pursuant to mandate, the overruling of their motion, petition to stay proceedings on mandate, the vacating of the earlier judgment, the entry of the new, and the failure of the District Court to make findings of fact and conclusions of law and to order, adjudge and decree—

(a) that defendants unreasonably neglected or delayed to enter a disclaimer of one or more claims of said Daukus patent No. 2,324,913, particularly claims 1, 2, 3, 5, 7, 8, 9,

10, 11, 12, 16, 18, 21, 22 thereof,[7] as provided in the disclaimer statutes aforesaid;

(b) that the said Daukus patent is invalid in its entirety for unreasonable neglect or delay of said defendants to enter a disclaimer of one or more claims thereof as aforesaid; and

(c) that the controversy presented by defendants' counterclaim became moot and the jurisdiction of the District Court in respect thereto failed prior to the entry by said court of its judgment on October 31, 1947, by reason of invalidity of the Daukus patent for unreasonable neglect or delay to enter such a disclaimer.

In addition to affirming the judgment and the order of the District Court, the order of which review is now sought (R. 525) overruled a motion by respondent to dismiss the appeal (R. 511) on technical grounds, which motion was heard with the appeal, on briefs and oral arguments. The indefinite statement contained in the preamble of that order is the only expression by the Court of Appeals pertaining either to its affirmance of judgment on petitioners' appeal or to a denial of petitioners' motions in the previous appeal.

Petitioners filed a petition for rehearing of their appeal October 27, 1948 (R. 527), urging an explicit determination by the Court of Appeals of the matters in issue. This was denied November 8, 1948 (R. 533), without opinion.

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[7]The fourteen claims adjudged invalid by the District Court and not embraced in defendants' appeal.

SPECIFICATION OF ERRORS.

The errors which petitioners will urge, if the writ of certiorari be issued, are that the Court of Appeals for the Sixth Circuit erred:

1. In affirming the judgment of the District Court entered October 31, 1947.

2. In failing to reverse the said judgment.

3. In holding that petitioners' principal contentions in their appeal from the said judgment have heretofore been raised and considered by the Court of Appeals prior to the issuance of the mandate, by motion to vacate decree and dismiss appeal, and by motion to amend, modify, and reform decree, which were denied on April 9, 1947, and giving effect to said denial of those motions as a prior adjudication of those contentions.

4. In holding that petitioners' principal contentions in their appeal from the said judgment have heretofore been raised and considered by this Court in petition for rehearing after denial of petitioners' petition for certiorari (329 U.S. 799) and in a second petition for writ of certiorari which was also denied (331 U.S. 860), and in giving effect to said denials as a prior adjudication of said contentions.

5. In holding that the said judgment of October 31, 1947, was entered pursuant to and in full compliance with the mandate of the Court of Appeals entered April 14, 1947, in appeal No. 10,119.

6. In affirming the order of the District Court entered October 31, 1947, overruling petitioners' motion and petition to stay proceedings on the mandate and for other relief.

7. In failing to reverse the said order of the District Court of October 31, 1947.

8. In holding that the patent in suit was not rendered invalid by reason of respondent's failure to enter a disclaimer of one or more claims of said patent adjudged invalid in a part of the judgment of the District Court entered June 20, 1945, as to which no appeal was taken by respondent.

9. In holding the patent in suit to be valid.

SUMMARY OF ARGUMENT.

The points of argument will follow the reasons which have been stated as a basis for the granting of the writ and will be discussed in the order in which they are stated in the petition (p. 7).

ARGUMENT

I.

The Court of Appeals, in affirming the judgment of the District Court entered October 31, 1947, has determined an important question of federal law pertaining to the interpretation of the disclaimer statutes in conflict with the decisions of this Court in Ensten v. Simon Ascher & Co., 282 U.S. 445, and Triplett v. Lowell, 297 U.S. 638.

This proposition is predicated on the assumption that the Court of Appeals not only considered but *determined* the disclaimer question in denying petitioners' motions (1) to vacate decree and dismiss appeal, and (2) to amend, modify, and reform decree, which were made after decree but before issuance of mandate on the first appeal (respondent's). The assumption is based on the statement contained in the judgment of October 12, 1948 (R. 525):

> "And it appearing that appellants' principal contentions in the present appeal have heretofore been raised and considered by this court prior to the issuance of the mandate, by motion to vacate decree and dismiss appeal, and by motion to amend, modify, and reform decree, which were denied on April 9, 1947;"

Whether or not the assumption is justified will be considered under the third topic of argument.

The "principal contentions" mentioned by the Court of Appeals included the disclaimer question presented in petitioners' motion to vacate decree and dismiss appeal

(R. 248). This question arose from the fact that respondent Goodwin and his co-defendant Daukus *limited their appeal* to a review of the adjudication by the District Court of the questions of validity and infringement of *nine specified claims* of the Daukus patent on which they had chosen to rely for infringement under their counterclaim, *without entering a disclaimer of any of the other fourteen claims* of the patent which the District Court had adjudged invalid in granting the prayer of petitioners' supplemental complaint under the Declaratory Judgment Act.

According to the decisions of this Court in *Ensten* v. *Simon Ascher & Co.*, 282 U.S. 445, 453, and *Triplett* v. *Lowell*, 297 U.S. 638, when Goodwin and Daukus allowed the unappealed part of that judgment to become final they abandoned the contest and conceded the correctness of the judgment of the District Court as to the invalidity of all claims of the Daukus patent except the nine upon which they relied for the purpose of infringement under their counterclaim and as to which a review of the question of validity was sought in their appeal. It then became encumbent upon them, under the disclaimer statutes (U.S.C., Tit. 35, Secs. 65, 71) as interpreted in those cases, promptly to enter a disclaimer as to each of the fourteen claims not included in their appeal.

The instant case falls squarely within the language of the opinion in the *Triplett* case. There, after qualifying the previously understood meaning of the disclaimer statutes so as to permit a patentee to withhold entering a disclaimer to enable him further to litigate a claim adjudged invalid but at the risk of losing his patent in the event of an adverse judgment in such litigation, the Court expressly excepted such a case as that here presented, saying (297 U.S. 646):

"A different question is presented where the claims

adjudged invalid are abandoned, whether by a tardy disclaimer or otherwise, and a second suit is brought to restrain infringement of other claims, see *Ensten* v. *Simon Ascher & Co.*, 282 U.S. 445, 75 L. ed. 453, 51 S. Ct. 207, *supra*, or *where in the same suit in which some claims are held invalid the plaintiff seeks to secure without disclaimer the benefits of a favorable decision on other claims.* See *R. Hoe & Co.* v. *Goss Printing Press Co.* (C.C.A. 2d) 31 F. (2d) 565; *Higgin Mfg. Co.* v. *Watson* (C.C.A. 6th) 263 F. 378; *Liquid Carbonic Co.* v. *Gilchrist* (C.C.A. 7th) 253 F. 54; *Herman* v. *Youngstown Car Mfg. Co.* (C.C.A. 6th) 191 F. 579.'"*

The order of which review is sought has the effect of, and therefore constitutes, a determination by the Court of Appeals in conflict with the decisions in the *Ensten* and *Triplett* cases. If permitted to stand that determination will give rise to further confusion in the application of the disclaimer statutes. It is urged that the conflict calls for the exercise of jurisdiction by this Court.

II.

The Court of Appeals, in affirming the judgment and order of the District Court, determined an important question of federal judicial administration pertaining to the exercise of jurisdiction by a United States Court of Appeals in conflict with decisions of this Court in Alma Motor Co. v. Timken-Detroit Axle Co., 329 U.S. 129, 141, and in Electrical Fittings Corp. v. Thomas & B. Co., 307 U.S. 241, and Altvater v. Freeman, 318 U.S. 359, 365.

The District Court made it clear in its findings of fact and conclusions of law (R. 35, 38) that it was rendering a judgment granting the prayer of the supplemental complaint and dismissing both the original complaint and the counterclaim. That court likewise made it clear that in so doing it considered the issues presented by the supple-

* Italics supplied.

mental complaint as including the question of validity as to *all claims* of the Daukus patent and the issues presented by the counterclaim as limited in respect to the question of validity to the *nine claims* upon which Goodwin and Daukus had chosen to rely. In so doing it followed the decisions of this Court in *Electrical Fittings Corp.* v. *Thomas & Betts*, 307 U.S. 241, 242, and *Altvater* v. *Freeman*, 319 U.S. 359, 363, consistently with the decision of the Court of Appeals for the Seventh Circuit in *Kalo Inoculant Co.* v. *Funk Bros. Seed Co.*, 161 F(2) 981, 991. The judgment of the District Court thus consisted of *three distinct and separable parts*; one, dismissing petitioners' original complaint, which involved the issue of priority of invention between Daukus and Gamble; another, granting relief under petitioners' supplemental complaint, which involved the issues of validity and infringement of *all twenty-three claims* of the Daukus patent; and a third, dismissing defendants' counterclaim, which involved the issues of validity and infringement of *only nine of the more limited claims* of that patent.

Goodwin and Daukus *limited their appeal to* a review of *but one distinct and separable part* of that judgment, namely, that part which dismissed their counterclaim, and thereunder sought a review *only* in respect to the questions of validity and infringement of the *nine claims* on which they had chosen to rely for infringement under their counterclaim. The jurisdiction of the Court of Appeals to review that judgment was thereby correspondingly restricted under the decision of this Court in *Alma Motor Co.* v. *Timken-Detroit Axle Co.*, 329 U.S. 129, 141, which is in accord with numerous decisions of various Courts of Appeals. See *American Fork & Hoe Co.* v. *Stampit Corp.*, (CCA 6), 125 F(2) 472, 474, *Anderson* v. *Lion Products Co.*, (CCA 1), 127 F(2) 454, 455, *Carter* v. *Powell*, (CCA 5), 104 F(2) 428, 430. Compare *Reed* v. *Allen*, 286 U.S. 191, 198. Notwithstanding this, and in conflict with the cited

decisions of this Court, and departing from the established principle (*Altoona Theatres* case, 294 U.S. 477, 487) that "each claim must stand or fall, as itself sufficiently defining invention, independently of the others", the Court of Appeals exercised jurisdiction to pronounce the *entire patent* valid. Thus, the Court of Appeals, in effect, *not only overruled the unappealed part* of the judgment of the District Court adjudging invalid all of the claims of that patent while confining its review to a lesser number of the more limited claims, *but it deprived petitioners of their right under the Declaratory Judgment Act* (*Altvater* v. *Freeman*, 319 U.S. 359, 363), as litigants and accused infringers of the Daukus patent, *to have an adjudication of the invalidity of all of the claims*, including the admittedly "too broad" claims of that patent. Compare *Sinclair & Carroll Corp.* v. *Interchemical Corp.*, 325 U.S. 327, 330.

It is urged that the conflict between the decision of the Court of Appeals for the Sixth Circuit and the decisions of this Court in the *Alma Motor Co.* case and in the *Electrical Fittings Corp.*, and *Altvater* cases calls for a review by this Court of the proceedings in the case, as in *Sprague* v. *Ticonic National Bank*, 306 U.S. 623; s.c. 307 U.S. 161, 162.

III.

The decision of the Court of Appeals conflicts with the decisions of this Court in Sprague v. Ticonic National Bank, 307 U.S. 161, and Hughes v. United States, 71 U.S., 4 Wall. 232, 18 L. Ed. 303, and in House v. Mayo, 324 U.S. 42.

The order of which review is sought affirms a judgment which is a final judgment as defined in *McCullough* v. *Kammerer Corp.*, 331 U.S. 96. The order of affirmance was entered by the Court of Appeals without opinion. As if in

lieu of an opinion it is stated in the preamble of that order (R. 525):

> "And it appearing that appellants' principal contentions in the present appeal have heretofore been raised and considered by this court prior to the issuance of the mandate, by motion to vacate decree and dismiss appeal, and by motion to amend, modify, and reform decree, which were denied on April 9, 1947;
>
> And it appearing that appellants' principal contentions in the present appeal have heretofore been raised and considered by the Supreme Court of the United States in petition for rehearing after denial of appellants' petition for certiorari (329 U.S. 799) and in a second petition for certiorari which also was denied (331 U.S. 860);"

The "principal contentions" mentioned by the Court of Appeals included the disclaimer and jurisdictional questions as set forth above (p. 12).

It is to be noted that the quoted portions of the order of the Court of Appeals state merely that those contentions "have heretofore been *raised and considered by* this Court" and "the Supreme Court". They do not state that those contentions were *determined* by either court. Yet the Court of Appeals by its order gives effect to its denial of the motions and this Court's denial of certiorari as a prior adjudication of those contentions. In so doing the Court of Appeals, it is submitted, has determined an important question of federal judicial administration in conflict with the cited decisions of this Court.

In the *Sprague* and *Hughes* cases this Court held that *prior adjudication* constituting a determination of a matter in issue and a bar to further litigation thereof means *a determination of the matter on its merits.* In *Hughes* v. *United States*, 71 U.S., 4 Wall. 232, 18 L. Ed. 303, 305, considering the subject of *res judicata* in an equity suit to vacate a patent for land, the Court speaking through Mr.

Justice Field defined the requisites of a prior adjudication as follows:

> " . . . In order that a judgment may constitute a bar to another suit, it must be rendered in a proceeding between the same parties or their privies, and the point of controversy must be the same in both cases, and must be determined on its merits. If the first suit was dismissed for defect of pleadings, or parties, or a misconception of the form of proceeding, or the want of jurisdiction, or was disposed of on any ground which did not go to the merits of the action, the judgment rendered will prove no bar to another suit. Walden v. Bodley, 14 Pet., 156; I Greenl. Ev., secs. 529, 530, and authorities there cited."

While the instant case involves a mandate issued in a prior appeal in the case instead of a judgment in prior litigation and such a mandate does not have the effect of *res judicata* in the strict sense (*Messinger* v. *Anderson*, 225 U.S. 436, 444; *Wichita Realty Co.* v. *City National Bank*, 306 U.S. 103, 107) but operates merely to control the lower court in further proceedings in the case, the Court made it plain in *Sprague* v. *Ticonic National Bank*, 307 U.S. 161, 168, that in order that a mandate shall effect such control as to any given issue, that issue *must have been determined on its merits* and be within the compass of the mandate. According to the opinion in that case it must appear affirmatively that the matter was in issue directly or by necessary implication and was determined on the merits in the proceedings resulting in the issuance of the mandate. It is submitted that the record in this case supports no such implication.

As previously stated, the motions in the Court of Appeals and the petitions to this Court, in which the contentions under consideration arose, were presented during the pendency of the first appeal, after decree and before issuance of mandate by the Court of Appeals. They were denied

without opinion and without any statement by either court as to what matters were considered or what were the reasons for denial. Petitioners submit that the *record fails to show any determination on the merits* of any question presented in their motions.

This Court has made it clear repeatedly that a denial of certiorari imports no expression of opinion upon the merits of the case. *House* v. *Mayo*, 324 U.S. 42, 48, and cases cited therein. The quoted portions of the order of the Court of Appeals not only import the contrary but suggest that the Court of Appeals was controlled by this Court's denial of certiorari.

If the Court of Appeals would have it inferred that it has determined on the merits, either on the present appeal, or on the previous appeal, the questions involved in the present appeal, it has kept within its breast what it determined and the reasons for its determination. For aught appearing of record that court may have considered the questions presented and refrained from deciding them on the merits for some reason independent of the merits. See *Bernards* v. *Johnson*, 314 U.S. 19, 30, 31.

In such circumstances, there is no basis for considering the denial of petitioners' motions by the Court of Appeals as a determination on the merits of the questions presented by them or for treating the mandate of the Court of Appeals as determinative, or controlling on the District Court, as to the matters of which review is sought in the present appeal. As the Court said in *Mutual Life Insurance Co.* v. *Hill*, 193 U.S. 551, 554:

> " . . . a judgment of reversal is not necessarily an adjudication by the appellate court of any other than the questions in terms discussed and decided."

See also *Wolff Packing Co.* v. *Court of Industrial Relations*, 267 U.S. 552, 562; *Seagraves* v. *Wallace* (CCA 5), 69 F(2)

163, 164; *Hansen & Rowland* v. *C. F. Lytle Co.* (CCA 9), 167 F(2) 998, 999, and cases cited.

Certainly it cannot be said that the Court of Appeals, in reversing the first judgment of the District Court "for further proceedings in accordance with the opinion of this Court," "*discussed and decided*" the matters presented by petitioners' motions so as to bring those matters within the compass of the mandate, when it merely denied the motions without opinion, without discussion and without giving any indication of what it determined or why. Compare *Rogers* v. *Hill*, 289 U.S. 582, 587, where the Court distinguished such a mandate from one directing further proceedings in accordance with "the decision."

It is submitted that the decision of the Court of Appeals conflicts with the decisions of this Court in the *Sprague*, *Hughes*, and *House* cases. For the reasons indicated in the *Sprague* case it is urged that this Court should review the proceedings to the end that there may be a full, clear and unequivocal determination of the matters presented in petitioners' motions.

Such a review is especially desirable in this case. In the present state of the record, *neither the Court of Appeals nor the District Court having rendered any opinion, and no findings of fact or conclusions of law pertaining thereto having been entered*, petitioners and the public are left in doubt as to whether the questions presented in petitioners' motions have been determined on the merits as contemplated in the cited decisions of this Court. The questions involved are fundamental in character. The public, as well as petitioners, have an interest in having those questions definitely and finally determined on the merits. This is especially so in respect to the disclaimer question.

As matters stand, the Court of Appeals has declared the patent in suit to be valid notwithstanding the record fails

to show that that Court ever made any determination as to the validity of fourteen of its claims adjudged invalid by the District Court under petitioners' supplemental complaint, and as to which the defendants sought no review. The result is a paradox and petitioners and the public are left in doubt, not only as to the validity of those fourteen claims, but as to the validity of the patent in its entirety for want of a disclaimer as to those fourteen claims. In such circumstances, a review of the proceedings in the case by this Court is believed to be peculiarly appropriate.

For the reasons stated petitioners request that the writ issue.

Respectfully submitted,

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APPENDIX.

U.S.C. Tit. 28, §227a. (Judicial Code, §129, amended.) Appeals in suits in equity for infringement of letters patent for inventions; stay of proceedings for accounting.

When in any suit in equity for the infringement of letters patent for inventions, a decree is rendered which is final except for the ordering of an accounting, an appeal may be taken from such decree to the circuit court of appeals; *Provided*, That such appeal be taken within thirty days from the entry of such decree or from February 28, 1927; and the proceedings upon the accounting in the court below shall not be stayed unless so ordered by that court during the pendency of such appeal. (March 3, 1911, c. 231, §129, 36 Stat. 1134, as amended Feb. 28, 1927, c. 228, 44 Stat. 1261.)

U.S.C. Tit. 28, §400. (Judicial Code section 274d.) Declaratory judgments authorized; procedure.

(1) In cases of actual controversy (except with respect to Federal taxes) the courts of the United States shall have power upon petition, declaration, complaint, or other appropriate pleadings to declare rights and other legal relations of any interested party petitioning for such declaration, whether or not further relief is or could be prayed, and such declaration shall have the force and effect of a final judgment or decree and be reviewable as such.

(2) Further relief based on a declaratory judgment or decree may be granted whenever necessary or proper. The application shall be by petition to a court having jurisdiction to grant the relief. If the application be deemed sufficient, the court shall, on reasonable notice, require any adverse party, whose rights have been adjudicated by the

declaration, to show cause why further relief should not be granted forthwith.

(3) When a declaration of right or the granting of further relief based thereon shall involve the determination of issues of fact triable by a jury, such issues may be submitted to a jury in the form of interrogatories, with proper instructions by the court, whether a general verdict be required or not. (Mar. 3, 1911, c. 231, §274d, as added June 14, 1934, c. 512, 48 Stat. 955, and amended Aug. 30, 1935, c. 829, §405, 49 Stat. 1027.)

U.S.C. Tit. 28, §1254(1). Courts of appeals; certiorari; appeal; certified questions.

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

U.S.C. Tit. 35, §63. Bill in equity to obtain patent.

Whenever a patent on application is refused by the Board of Appeals or whenever any applicant is dissatisfied with the decision of the board of interference examiners, the applicant, unless appeal has been taken to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal, or decision; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the

applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit. R.S. § 4915; February 9, 1893, c. 74 § 9, 27 Stat. 436; March 2, 1927, c. 273, § 11, 44 Stat. 1336; March 2, 1929, c. 488, § 2(b), 45 Stat. 1476; August 5, 1939, c. 451, § 4, 53 Stat. 1212.

U.S.C. Tit. 35, §65. Disclaimer

Whenever, through inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing, attested by one or more wit-

nesses, and recorded in the Patent Office; and it shall thereafter be considered as part of the original specification to the extent of the interest possessed by the claimant and by those claiming under him after the record thereof. But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it. R.S. § 4917.

U.S.C. Tit. 35, §71. Suit for infringement where specification too broad.

Whenever, through inadvertence, accident, or mistake, and without any wilful default or intent to defraud or mislead the public, a patentee has, in his specification, claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer, every such patentee, his executors, administrators, and assigns, whether of the whole or any sectional interest in the patent, may maintain a suit at law or in equity, for the infringement of any part thereof, which was bona fide his own, if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer. But in every such case in which a judgment or decree shall be rendered for the plaintiff no costs shall be recovered unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer. R. S. § 4922.